EFFECT OF ORGANIZATIONAL CULTURE ON HIGHER INSTITUTIONS' EMPLOYEES' PERFORMANCE

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Abstract

This study is based on the effect of organizational culture on employees' performance. The study adopted the following objectives: to explore how organizational culture influences job satisfaction and its subsequent impact on employees' performance; to access the relationship between job satisfaction and employees' performance in the context of organizational culture. Descriptive survey research design was adopted and a sample size of 130 (one hundred and thirty) were gotten using Taro Yamani formula out of a total population of 2000 staff. The data for the study were gathered with a five point Likert scale questionnaire. Analyses were made through the latest version of statistical package for social sciences (SPSS). From the study, it was indicated that training and development increase employees' competence. The findings showed that reward has a significant effect on the performance of the organization. Finally, it was ascertained from the study that recruitment can positively enhance the market share of the organization. The study recommended that organizations should provide a flexible culture; this will provide a working environment to employees in which they will work easily and independently without feeling any burden. It was also recommended that institutions should provide employees with a clear career path and career development opportunities by giving them training, seminars and workshops as this will increase their performance in the organization.

Keywords: Organisational culture, Higher institutions, Employee, Employees' performance

Introduction

Organizational culture is the combination of expectations of organization, experiences, philosophy and values. Organizational culture is also called corporate culture. It influences performance and productivity of organizations. It gives guidelines for quality of product, punctuality, safety and other factors affecting an environment.

An employee's performance is based upon the combination of good working skill and work environment. There is need for some sort of motivation to get good performance from employees. This productive work can be created by effective motivation. Employees feel that an organization has made a commitment to them to perform better. Organizational commitment offers a good pay and allowances and gives a training that keeps employee updated and gives the chance of promotion.

Culture at the workplace is a very powerful force which is consciously and deliberately cultivated and is passed on to the incoming employees. It is the very thread that holds the organization together. These shared beliefs, values, morals, symbols and behavior guide employees in decision making at unconscious levels. Many of the organisations might have a bureaucratic culture that does not promote entrepreneurial and risk-taking initiatives and with no clear communication between management and employees which made them to digress from original organisational culture.

In order to fulfill the purpose of this study, the following hypotheses were advanced and tested in the course of the study. **H_{01}:** There is no positive relationship between organizational culture and employees' job performance.**H_{02}:** There is no significant relationship between job satisfaction and employees' performance.

Literature review

Mcewan (2011) postulates that as a concept, culture is inseparable from the notion of huma society. Cowling and James (2014) support McEwan in the postulation that an organization cannot be separated from the culture of society. To try and change the prevailing culture within an organization, one has to take cognizance of the relevant societal culture. Robbins (2011), on the other hand, argues that a company's organization culture does not pop out of thin air and, once it is established, it does not fade away. An

organization's current customs, traditions, and general way of doing things are largely due to what it has done before and the degree of success it had obtained with these endeavours. Robbins further emphasizes that the founders of an organization have a major impact on that organization's early culture. They have a vision of what the organization should be, and they are unconstrained by previous customs and ideologies.

The process of culture creation occurs in three ways. First, founders only hire and keep employees who think and feel the way they do. Second, they indoctrinate and socialize these employees to their way of thinking and feeling. Finally, the founder's own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. When the organization succeeds, the founder's vision is seen as a primary determinant of that success.

Dimensions of Organizational Culture

The four dimensions of organizational culture are mentioned and discussed below.

i. **Power Distance**: It is defined as degree of employee and management behaviour that is based upon perfect relationship between formal and informal set of planning action.
ii. **Individualism**: In this dimension, difference between organizational interest and self-interest has perfectly been matched.
iii. **Uncertainty Avoidance**: The uncertainty and ambiguity based upon tolerance helps in mitigating willingness of people.
iv. **Masculinity**: It comes in avoidance of caring and promotion rather than level of success based upon challenges, insolence and ambition.

Concept of Organizational Culture

Organizational culture has tremendous influence on employees' performance and engagement. A positive organizational culture empowers employees to be innovative and productive, providing clear direction, consistent feedback, job satisfaction, fair compensation, work/life balance, attractive benefits and reward opportunities (Soomro& Shah, 2019). Conversely, a negative organizational culture can result in low morale among employees, who may become demotivated with their jobs and less likely to contribute to organizational success. Ultimately, organizations that have successfully established a strong cultural foundation focusing on employee well-being tend to acquire better results combined with higher levels of engagement from their workforce. A positive corporate culture has shared beliefs that align with the organization's mission and values, which can lead to increased employees' engagement, productivity, and loyalty (Jufrizen et al. 2021).

Organizational culture has the potential to affect a range of organizationally and individually desired outcomes. According to Ritchie (2020), organizational culture affects such outcomes as productivity, performance, commitment, self-confidence, satisfaction and ethical behavior. Similarly, more recent writers have stated that organizational culture impacts on any organization, its employees' performance and job satisfaction and ultimately its financial performance.

Furthermore, it has also been noted that organizational culture helps management to find out the suitable strategies and policies which can drive employees to contribute maximally thereby improving organizational performance. With the ever changing technology and fast paced business arena, organizations today are grappling to find new and innovative ways of improving performance with the minimal addition of cost. Many organizations have now turned to explore the sociological aspect of the business in order to improve profitability. Culture is one aspect that is not tangible, yet it plays a very important role in the success of any organization.

The aggressiveness culture in the workplace can have a positive impact on employees' performance if it is managed correctly. This culture encourages employees to be proactive and take initiatives, resulting in improved productivity and efficiency (Yue and Thelen, 2023). Employees are more likely to feel motivated when they are given the opportunity to innovate and challenge themselves due to a greater chance of success inherent in this type of environment (Singh et al. 2019).

Furthermore, by promoting competition amongst staff, such as through incentives or rewards schemes, team members are encouraged to strive to achieve higher levels of excellence while also facilitating better collaboration between co-workers. While it is important for organizations to foster an aggressive culture that fosters ambition, it should also be balanced with clear boundaries that reward risk-taking but penalize destructive behaviour. Additionally, leadership should model appropriate behavior and create an environment

in which all employees feel safe, respected and valued so they can thrive in their roles.

Employees' Performance

Employees' performance is a term typical to the Human Resource field. It can refer to the ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. It is one measurement of work results in determining individual attributes such as ability and experience, organizational supports such as resources and technology and work effort.

Employees' performance can also be seen as an aggregate value to an organization's set of behaviours that an employee contributes both directly and indirectly to organizational goals. Job performance is a very critical factor in every organization. It is, therefore, logical that job performance is an extremely important criterion that relates to organizational outcomes and success. Given the importance of employees' job performance, management has to carry out an in-depth analysis of its employees and find out the determinant factors that will increase high employees' job performance. However, some factors used to measure an individual job performance vary from one field of work to another. For example, in the healthcare industry, these factors will include the relationship of work experiences, job stress and psychological wellbeing.

In the research industry, job performance can be measured by two categories of measurement which are personal and environmental. Campbell (1990) came up with three core determinants of job performance, which he classified under declarative knowledge, procedural knowledge and skill and motivation. Employees' productivity is measured by how much of something an employee has produced. This is quantified by incorporating indicators on evaluations that focus on capturing measurable data. Productivity-related indicators may examine the quantity of projects that an employee has versus what the production outcomes are (DeWitt, 2010). In the case of an insurance company, we are looking at how many clients the sales' team has brought in, and how many policies they have sold.

Furthermore, employees' performance is closely related to job satisfaction as large portion of one's overall work attitude and motivation is heavily influenced by their satisfaction with the tasks at hand (Kuswati, 2020 and Hajiali et al. 2022). Thus, when considering employees' performance, this requires leadership to look at ways to increase job satisfaction so that employees are satisfied with their roles and responsibilities. This can be done through better communication between superiors and subordinates, strategy planning on how best to complete complex assignments and tasks, continued workers' development plans to create opportunities for growth within the organization, providing competitive salary packages for top performing employees among others (Riyanto et al. 2021; Yandi & Havidz, 2022). Effectively mediating job satisfaction plays a major role in helping organizations in achieving improved employees' performance.

According to the consistency theory, organizations tend to be effective because they have strong cultures that are highly consistent, well-coordinated and well integrated. Employees' behavior is rooted in a set of core values and leaders and followers are skilled at reaching an agreement even when they have differing views (Blois and HunSaker (2017). This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity.

Methodology

For the purpose of this study, the survey research method was adopted. This method is descriptive in nature and has the basic characteristics which involve the collection of data to facilitate the answer of research questions through which the test of hypothesis was adopted. This method was considered appropriate because it helped to describe, examine, analyze and interpret the variables in the study.

The population for this study consisted of 2000 members of staff of Adekunle Ajasin University, Akungba - Akoko. Taro Yamane was used for determining the sample size. The mathematical formula is stated below:

$$n = \frac{N}{1 + N(e)^2}$$

Therefore, this research used a population sample size of 333 which was determined using the Taro Yamane formula.

A self-administered questionnaire was used in gathering the data. This is a useful method for collection of primary data and has the advantage of being a low cost option and allows respondents to think about questions

(cooper,2012). The questionnaire was developed by the researcher on the basis of the research objective and it was divided into two parts. Part one contained general information relating to the respondent; part two centered on the effect of organizational culture on employees' performance. The data for this study were analyzed with the aid of descriptive statistics and Chi-square (X^2). The hypotheses were tested using this technique.

Results and discussion

H_{01}: There is no positive relationship between organizational culture and employees' job performance.

Table 1: Chi-Square Tests for Hypothesis One

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	191.016[a]	16	.000
Likelihood Ratio	110.468	16	.000
N of Valid Cases	330		

Source: Field Survey, 2023.

Rule; (P<0.05): Null Hypothesis will be rejected and (P>0.05): Null Hypothesis will be accepted

The study showed that the Chi-Square (χ^2) value result on the employees' performance concerning organizational culture at Adekunle Ajasin University, Akungba- Akoko. The Chi-Square (χ^2) value was 191.016 which was greater than the table value of 26.30 and significant at 0.05(5%) significance level. The Chi-Square value shows, there was a strongly positive relationship occurrence between organizational culture and Employees' Performance. The research rejected the null hypothesis (H_{01}) of no positive relationship between organizational culture and employees' job performance in Adekunle Ajasin University, Akungba - Akoko at 0.05 significance level by concluding that there was a strong significant relationship between Organizational Culture and Employees' performance at Adekunle Ajasin University, Akungba - Akoko, Ondo State.

Table 2 showed the cross tabulation contingency data gathered on hypothesis two (2) concerning Job Satisfaction and Employees' performance on staff impact at Adekunle Ajasin University, Akungba- Akoko. The response was based on respond from the respondents (i.e. staff) on the questionnaire assigned.

H_{02}: There is no significant relationship between job satisfaction and employees' performance.

Table 2: Chi-Square Tests for Hypothesis Two

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	89.071[a]	12	.000
Likelihood Ratio	76.959	12	.000
N of Valid Cases	330		

Source: Field Survey 2023.

In Table 2, Chi-Square (χ^2) value was 89.071 which was greater than the table value of 9.03 and significant at 0.05(5%) significance level. The Chi-Square value shows, there was a strongly positive relationship occurrence between job satisfaction and employees' performance. The research rejected the null hypothesis (H_{02}) of no positive relationship between job satisfaction and employees' performance at Adekunle Ajasin University, Akungba – Akoko at 0.05 significance level and subsequently concluded that there was a strong significant relationship between job satisfaction and employees' performance in the higher institution being studied. From this, job satisfaction is necessary when taking decisions that concern any organisation, particularly, a tertiary institution like Adekunle Ajasin University Akungba - Akoko.

Discussion

The relationship between organizational culture and employees' performance has been proved by many researchers (Ogbonna and Harris, 2020). This present study focuses on impact of organizational culture on employees'

job performance. The study found significant positive relationship between employees' performance and organizational culture but the results of Raka (2003).

Ghani (2016), supported that there was relationship between organizational culture and employees' performance. The research results of Aluko (2013) also supported this. This research calso found that there was a strong positive relationship occurrence between organizational culture and employees' performance. The research rejected the null hypothesis (H_{01}) of no positive relationship between organizational culture and employees' job performance in Adekunle Ajasin University, Akungba- Akoko at 0.05 significance level by concluding that there was a strong significant relationship between organizational culture and employees' performance in the institution.

This study revealed that there was a strongly positive relationship occurrence between job satisfaction and employees' performance. The research rejected the null hypothesis (H_{02}) of no positive relationship between job satisfaction and employees' performance in Adekunle Ajasin University, Akungba - Akoko at 0.05 significance level. It was therefore concluded that there was a strong significant relationship between job satisfaction and employees' performance at Adekunle Ajasin University, Akungba – Akoko.

Conclusion recommendations

Employees' performance refers to ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. It is one measurement of work results in determining individual's work attributes. The issue of organizational culture cannot be over-emphasized in every organization. It has been observed that organizational culture is important in any organization. This is so because it is powerful and helps organizations achieve higher productivity.

It is hereby recommended that institutions should provide employees with a clear career path and career development opportunities by organizing for them training, seminars and workshops as this will eventually increase their productivity in the organization. Organizations should also develop a culture that encourages employees to be innovative and creative and also see the employees as humans and not logs in machines. Also, organizational culture must be binding on all members of staff of the organisation as this will encourage uniformity among members of the organization and thus, enhance commitment and group efficiency.

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